

**OFFICE OF ATTORNEY GENERAL****INSURANCE FRAUD SECTION**
TOM CORBETT • ATTORNEY GENERAL
NEWSLETTER**AGENT FRAUD****Lancaster County Man Accused of
Defrauding Elderly Clients Out of \$284,000**

Steve A. Brubaker, an insurance agent, was arrested in Lancaster County and charged with one count of Insurance Fraud (F3), six counts of Theft by Deception (F3), six counts of Theft by Failure to Make Required Disposition of Funds Received (F3) and five counts of Sales and Purchases under the Securities Act (F3).

According to the Criminal Complaint, Brubaker, the owner of TWC Resources in Hershey, PA, devised an investment scheme to convince older clients to invest in unregistered securities, in the form of "private bearer bonds" issued by TWC Philanthropic Pool. Brubaker sold the private bearer bonds to nine clients ranging in age from 57 to 83 years old. Brubaker allegedly told clients he was attempting to raise funds for a charity and guaranteed payment of 8.25 percent interest. Brubaker allegedly pressured clients telling them he already had other clients ready to invest if they didn't quickly agree to the investment opportunity. A total of over \$180,000 was given to Brubaker to invest, but according to the Criminal Complaint, Brubaker, instead, used the funds for his own personal expenses. The Criminal Complaint also states that Brubaker received more than \$104,500 from an elderly woman whose deceased daughter had an insurance policy through Brubaker. After the daughter's death, Brubaker allegedly contacted the mother and offered to handle her daughter's outstanding financial affairs and invest the remaining money. Allegedly, however, Brubaker did not invest the funds and instead, kept the money himself.

York County Man Receives Jail Sentence

John McDonough plead guilty to one count of Insurance Fraud (F3) and one count of Failure to Make Required Disposition of Funds Received (F3) in York County.

McDonough, a former insurance producer, kept over \$136,000 in insurance premiums and other monies instead of purchasing insurance for his clients through his business, The McDonough Agency. McDonough stole from three finance companies and ten different organizations, including trucking companies, car dealers and two Knights of Columbus social clubs, many of which continued to operate believing they were insured.

On December 5, 2008, McDonough was sentenced to serve 10 to 20 months incarceration and a consecutive 5 years of probation and ordered to pay restitution of \$67,203.61 and all court costs.



- On December 29, 2008, Jay Dino was arrested in Cambria County. According to the Criminal Complaint, Dino owned residential property which he insured through the Motorists Insurance Company. The tenant moved out in 2005 and the property remained vacant. In May 2007, the rental property was destroyed by fire. Dino allegedly asked the former tenant to execute an affidavit stating that he resided in the rental property until April 2007, which Dino then submitted to the Motorists Insurance Company in support of his claim for \$95,801. The rental property would only be covered if the property was occupied within sixty days of the fire. Allegedly, Dino offered the tenant \$2,000 to execute the false affidavit. Jay Dino has been charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- Dedra Corker was arrested on December 3, 2008, in Philadelphia County. According to the Criminal Complaint, Corker submitted to the AFLAC Insurance Company eleven disability claims for payment between 2003 and 2007, due to migraine headaches. In 2005, Corker submitted two disability claims due to a fractured ankle and in 2006 Corker submitted two additional disability claims due to a high risk multiple birth pregnancy. It is alleged that these claims, totaling over \$30,000, occurred after Corker's employment was terminated and falsely represented the signatures of her employer and doctor. Dedra Corker has been charged with fifteen counts of Insurance Fraud (F3), fifteen counts of Forgery (F3), one count of Theft by Deception (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On December 15, 2008, Matthew Farah and Tierney Tolino were arrested in Monroe County. According to the Criminal Complaint, Farah purchased an auto policy with the Progressive Insurance Company. On May 4, 2008, Farah filed a claim with Progressive stating that his vehicle was involved in an accident that day. Our investigation revealed that the accident occurred on May 1, 2008, prior to Farah obtaining his policy from Progressive. Our investigation further revealed that Tolino conspired with Farah to support his claim that the accident occurred on May 1, 2008. Matthew Farah and Tierney Tolino have been charged with two counts of Insurance Fraud (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of Criminal Conspiracy/Theft by Deception (F3).
- Rhonda Smith was arrested on December 23, 2008, and Michael Hawkins was arrested on December 19, 2008, in Philadelphia County. According to the Criminal Complaint, Smith's vehicle was involved in a minor two-car accident and both vehicles were insured by the Allstate Insurance Company. Smith and Hawkins, through their attorney, submitted claims to Allstate, reporting that Smith was driving at the time of the accident. They also confirmed these allegations in sworn deposition testimony during Hawkins' lawsuit. It is alleged that Hawkins was operating the vehicle and that Smith was not in the car at the time of the accident. Rhonda Smith and Michael Hawkins have been charged with two counts of Insurance Fraud (F3), one count of Perjury (F3), one count of Theft by Deception (F3), one count of Criminal Attempt/Theft by Deception (F3) and one count of Conspiracy (F3).
- On December 17, 2008, Cheryl Moye was arrested in Allegheny County. According to the Criminal Complaint, Moye submitted four forged forms to the State Farm Insurance Company that purported to document that her total disability was continuing. It is alleged that Moye submitted the fraudulent documents after being medically cleared to return to work. Cheryl Moye has been charged with one count of Insurance Fraud (F3), one count of Theft by Deception (F3) and two counts of Forgery (M1).
- Joseph Bush, Jr., was arrested in Chester County on December 23, 2008. According to the Criminal Complaint, Bush is the owner of Infiniti of West Chester car dealership. Bush listed his mother, Mary Demore as an employee and covered her under the company's group health care insurance plan through the Aetna Insurance Company.

Between January 2006 and January 2008, Aetna paid over \$13,000 in claims on behalf of Demore. It is alleged that Demore was not an employee and had never worked at the dealership. Joseph Bush, Jr., has been charged with two counts of Insurance Fraud (F3 & M1), one count of Theft by Deception (F3) and one count of Criminal Conspiracy/Insurance Fraud (M1).

- On December 10, 2008, Yohana Matute-Melgar was arrested in Dauphin County. According to the Criminal Complaint, Matute was a passenger in her vehicle when her boyfriend drove it into three parked cars. Matute's auto policy with the Travelers Insurance Company was cancelled on November 23, 2007, prior to the accident. Matute contacted Travelers on November 27, 2007, after the accident, to have her policy reinstated. Matute signed and submitted a Statement of No Loss document asserting that her vehicle had not been in any accidents since her policy had been cancelled. It is alleged that Matute reinstated her policy, falsely stating there were no accidents, knowing that the owners of the damaged vehicles would file insurance claims. Yohana Matute-Melgar has been charged with two counts of Insurance Fraud (F3 & M1) and one count of Theft by Deception (F3).
- Angela Bash and Jeremy Lute were arrested on December 30, 2008, in Indiana County. According to the Criminal Complaint, Bash filed a claim with the Erie Insurance Company. Bash reported she left her vehicle on the side of the road after it had broken down and that when she returned to her vehicle, she discovered it had been vandalized by unknown persons. It is alleged that Bash solicited her boyfriend, Jeremy Lute to vandalize the vehicle so she could file a claim with Erie. Angela Bash and Jeremy Lute have been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1). Bash was also charged with an additional count of Insurance Fraud (F3).
- On December 18, 2008, Elesha Cillo was arrested in Allegheny County. According to the Criminal Complaint, Cillo obtained auto insurance coverage from the Bristol West

Insurance Group and subsequently filed a claim for the damage to her vehicle. It is alleged that Cillo misrepresented the date and time of her accident in an attempt to bring it within the newly obtained coverage. Elesha Cillo has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).

- Julius Widmann was arrested on December 23, 2008, in Cambria County. According to the Criminal Complaint, Widmann was an excluded driver under his mother's policy with the Progressive Insurance Company. Widmann reported to Progressive that his girlfriend was operating the vehicle when it became submerged in water, ruining the engine. It is alleged that Widmann was operating the vehicle at the time it was damaged. Julius Widmann has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On December 16, 2008, James Lewis was arrested in Susquehanna County. According to the Criminal Complaint, Lewis sustained personal injuries as a result of an auto accident and was approved for long term disability payments by UnumProvident. On November 9, 2007, Lewis reported to UnumProvident that his disability payments were his only income. It is alleged that Lewis was employed at Willow Run Foods from July 16, 2007 through November 21, 2007, and failed to reveal this employment to UnumProvident. James Lewis has been charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (F3).
- Atilano Alonso-Gonzales was arrested on December 8, 2008, in Chester County. According to the Criminal Complaint, Alonso-Gonzales added a vehicle to his auto policy with the Progressive Insurance Company in August 2007. Alonso-Gonzales filed a claim in September 2007, stating that his vehicle was damaged when he hit two deer. It is alleged that the damage existed prior to the time of the purchase of the policy and was not the result of hitting deer. Atilano Alonso-Gonzales has been charged with one count of Insurance Fraud (F3) and one count

of Criminal Attempt/Theft by Deception (F3).

- On December 8, 2008, Valerie Franks was arrested in Centre County. According to the Criminal Complaint, Franks obtained an auto policy with the Progressive Insurance Company and less than two hours later; Franks filed a claim with Progressive stating that she was involved in a motor vehicle accident, reporting that the accident occurred after she had obtained her policy. It is alleged that Franks misrepresented the time of the accident in an attempt to obtain coverage for the damage to her vehicle. Valerie Franks has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- Rosemary McGrail was arrested on December 16, 2008, in Westmoreland County. According to the Criminal Complaint, McGrail obtained homeowner's coverage from the Motorist Insurance Group. McGrail subsequently filed a claim reporting that her swimming pool had collapsed. It is alleged that McGrail misrepresented the date that the pool collapsed in an attempt to obtain coverage. Rosemary McGrail has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (F3).
- On December 18, 2008, Jonathon Cox, Sr., and Cynthia Cox were arrested in Montgomery County. According to the Criminal Complaint, Cynthia Cox's vehicle was involved in an accident with another vehicle. The operator of the second vehicle gave a description of the other driver that matched Jonathon Cox, Sr. Jonathon is an excluded driver on Cynthia's policy with the Progressive Insurance Company. Cynthia and Jonathon allegedly provided false recorded statements to Progressive stating that their son was driving the vehicle at the time of the accident. Jonathon and Cynthia Cox have been charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).
- Kenneth Hensel was arrested on December 17, 2008, in Allegheny County. According to the Criminal Complaint, Hensel filed a disability claim with the Merit Life

Insurance Company indicating that he was disabled with neck, back and leg injuries which prevented him from working. In support of his claim, Hensel submitted medical forms that reflected a total disability. It is alleged that Hensel was diagnosed by his treating physician with a neck strain and no disability and that his physician never completed nor authorized the medical forms that Hensel submitted. Kenneth Hensel has been charged with three counts of Insurance Fraud (F3), two counts of Criminal Attempt/Theft by Deception (M1), three counts of Forgery (M1) and one count of Theft by Deception (M1).

- On December 19, 2008, Tamara Stuckey was arrested in Berks County. According to the Criminal Complaint, Stuckey filed a claim with the Travelers Insurance Companies, Inc., reporting she was injured in an accident while driving a relative's car. Stuckey's attorney filed a personal injury claim with Travelers under the relative's auto policy. It is alleged that Stuckey was not in her relative's car but that she was involved in an accident in an uninsured vehicle on the same date. Tamara Stuckey has been charged with one count of Insurance Fraud (F3) and one count of Theft by Deception (M1).
- Heather Gibson was arrested on December 12, 2008, in Lancaster County. According to the Criminal Complaint, Gibson added comprehensive and collision coverage to her auto policy with the Progressive Insurance Company. Gibson subsequently filed a claim with Progressive reporting that her mini-van was struck by a hit and run driver. It is alleged that the accident occurred prior to Gibson obtaining the additional coverage to her policy. Heather Gibson has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).
- On December 22, 2008, Terry Fritzius was arrested in Allegheny County. According to the Criminal Complaint, Fritzius reported to his employer that he injured his shoulder, wrist and hip when he fell in a hole while carrying drywall scraps. Fritzius' employer filed a claim with the Penn National Insurance Company for workers'

compensation benefits. It is alleged that Fritzius staged the accident in an attempt to collect the benefits. Terry Fritzius has been charged with one count of Workers' Compensation Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).

- Penny Cope was arrested on December 5, 2008, in Lehigh County. According to the Criminal Complaint, an insurance application was submitted to the Progressive Insurance Company via the internet for a vehicle listing the insured as Travis Holler and an additional insured as Penny Cope. Holler's credit card was used to purchase the insurance. Cope was involved in an accident which was reported to Progressive by the driver of the second vehicle. It is alleged that Cope, Holler's ex-girlfriend, submitted the application and used Holler's credit card, all without his authorization. Penny Cope has been charged with one count of Forgery (F3), one count of Unlawful Use of a Computer (F3), one count of Insurance Fraud (M1) and one count of Identity Theft (M1).
- On December 29, 2008, Robert Lohman was arrested in Montgomery County. According to the Criminal Complaint, Lohman reported to a Lowe's Home Improvement Store (Lowe's) employee that he was injured when a "Lolly Column" that was on the shelf above him, fell on him and cut his arm. Lohman filed a claim with Lowe's, a self-insured entity. It is alleged that the "Lolly Column" did not fall as he reported and that the incident did not occur. Robert Lohman has been charged with one count of Insurance Fraud (F3).
- Donald Seeley was arrested on December 17, 2008, in Tioga County. According to the Criminal Complaint, Seeley was involved in an accident damaging another vehicle with his uninsured truck. Seeley reported to the Progressive Insurance Company that he was operating his mother's Taurus at the time of the accident. Donald Seeley has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).
- On December 23, 2008, Dominic Rawson was arrested in Montgomery County. According to

the Criminal Complaint, Rawson lowered the deductible on his auto policy with the Progressive Insurance Company. Two days later, Rawson reported that he discovered a tear in the roof of his Porsche convertible when he took his car to his mechanic. It is alleged that Rawson misrepresented the date in an attempt to pay the lower deductible. Dominic Rawson has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).

- Jesus Prado was arrested on December 29, 2008, in Dauphin County. According to the Criminal Complaint, Prado provided proof of workers' compensation and/or general liability insurance coverage to several companies in order to subcontract construction work with them. It is alleged that Prado was not insured through the State Workers' Insurance Fund. Additionally, Prado allegedly misrepresented two different social security numbers as his own on W-9 forms he sent to the companies. Jesus Prado has been charged with one count of Identity Theft (F3), one count of Criminal Attempt/Identity Theft (F3) and three counts of Forgery (M1).
- On December 22, 2008, charges were filed against Julie Ruckman in Dauphin County. According to the Criminal Complaint, Ruckman obtained one-month trial insurance from the American International Specialty Lines, Inc., on February 18, 2008. Ruckman filed a claim in April 2008, stating that her 2007 Dell computer was damaged on March 17, 2008, when her child knocked it off the table, and provided a receipt from Dead Zone Services to support her claim. It is alleged that the receipt is fraudulent and that a different computer, a 1992 computer, was damaged while in her boyfriend's possession. Julie Ruckman has been charged with one count of Insurance Fraud (F3) and one count of Criminal Attempt/Theft by Deception (M1).



- Michele Harper pled guilty to one count of Identity Theft (M1) and one count of Criminal Attempt/Theft by Deception (M1) in

Lackawanna County. Harper was involved in an accident while operating her mother's vehicle which was insured by the Progressive Insurance Company. Harper misrepresented herself as her sister as Harper was an excluded driver on her mother's policy. On December 19, 2008, Michele Harper was sentenced to serve 2 to 23 months incarceration and ordered to pay restitution of \$1,903 and all court costs.

- Gerald Faupel, Anthony Marshall and Darrell Alston pled guilty to one count of Insurance Fraud (F3) in Allegheny County. Faupel, Marshall and Alston filed fraudulent claims with the AIG Insurance Company and the Infinity Insurance Company stating they were injured passengers in vehicles involved in an accident. On December 11, 2008, Gerald Faupel and Anthony Marshall were sentenced to serve 1 year probation and ordered to pay all court costs. Additionally, Marshall was ordered to pay restitution of \$9,500 joint and several. On December 12, 2008, Darrell Alston was sentenced to serve 3 months incarceration, followed by 18 months probation and ordered to pay restitution of \$6,000 joint and several.
- Patricia Coleman pled guilty to one count of Insurance Fraud (F3) in Montgomery County. Coleman fraudulently claimed she was injured while riding in a co-worker's vehicle when, in fact, she was not in the vehicle. Coleman, through her attorney, filed claims with the American Independent Insurance Company, Great American Insurance Company and the Zurich Insurance Company. On December 19, 2008, Patricia Coleman was sentenced to serve 3 years probation and ordered to pay restitution of \$2,777.98 and all court costs.
- Katherin Yova pled guilty to one count of Insurance Fraud (F3) in Lawrence County. Yova filed auto claims with five different insurance companies reporting that she collided with deer on six separate occasions. Yova misrepresented her insurance and claims history with two of the companies and no new damage was found on her vehicle with two of the companies. On December 9, 2008, Katherin Yova was sentenced to serve 3 years probation and ordered to pay all court

costs.

- Matthew Robinson entered a guilty plea to one count of Criminal Attempt/Theft by Deception (M1) in Philadelphia County. Robinson filed a fraudulent claim with the Farmers Insurance Company for injuries he alleged to have received as a result of an auto accident. Robinson's attorney submitted a claim on his behalf to the Pennsylvania Assigned Risk Plan. Following denial by both companies, Robinson's attorney filed a civil suit in the Philadelphia Court of Common Pleas seeking damages not in excess of \$50,000 on his behalf. The evidence indicates that Robinson was not in the car at the time of the accident. On December 15, 2008, Matthew Robinson was sentenced to serve 2 years probation, ordered to perform 50 hours of community service and to pay a fine of \$500 and all court costs.
- Charles Michael pled guilty to one count of Theft by Deception (M1) in McKean County. Michael was employed by a construction company collecting wages, while receiving workers' compensation benefits from a self-insured manufacturer. On December 30, 2008, Charles Michael was sentenced to serve 1 year probation, ordered to perform 120 hours of community service and to pay restitution of \$532.14 and all court costs.
- Theresa Pursell pled guilty to one count of Criminal Attempt (M1) in Crawford County. Pursell obtained insurance coverage from the Geico Insurance Company and filed a claim a few days later, reporting her vehicle was damaged after colliding with a deer. Pursell misrepresented the date of the accident to be after the date of the policy inception in an attempt to obtain coverage for her vehicle. On December 5, 2008, Theresa Pursell was sentenced to serve 1 year probation, ordered to perform 50 hours of community service and to pay a fine of \$100 and all court costs.

(ARD) DISPOSITIONS

During the month of December, six additional defendants received Accelerated Rehabilitative Disposition (ARD).